

FY2011 Appropriations Request Form

Housing Endowment And Regional Trust (HEART) of San Mateo County

Office of Congresswoman Jackie Speier
211 Cannon House Office Building
Washington, D.C. 20515
Phone: 202/225-3531
Fax: 202/226-4183
Website: www.speier.house.gov

Individuals/Organizations must respond to all questions on the form. Incomplete proposals will not be considered.

All appropriations project requests will be presented to and evaluated by the 12th Congressional District's Citizens Oversight Panel, made up of community leaders. **This year's panel meetings will be held on February 26, March 5 and March 12, 2010 in the 12th Congressional District.** Appointments to appear before the panel must be made through Cookab Hashemi, Chief of Staff, at 202/225-3531 or via email, Cookab.Hashemi@mail.house.gov.

IMPORTANT NOTE: All information provided on this form and any supporting documents will be made available to the public on the Congresswoman's website.

**DEADLINE: Forms are due by Friday, February 12, 2010
@ 6:00 p.m. (P.S.T.)/9:00 p.m. (E.S.T.). Project requests submitted after that
date will not be considered.**

Date Submitted: February 12, 2010

Project Name:

**Capitalization of the QuickStart Revolving Loan Fund
for New Affordable-Home Construction**

Individual/Organization: *(Is the grantee located in the 12th Congressional District?)*

Located in the 12th Congressional District, the Housing Endowment And Regional Trust of San Mateo County (HEART) is headquartered in South San Francisco and works throughout San Mateo County.

Amount Requested *(if requesting report language, please attach.):*

\$1,000,000

Appropriations Bill/Account/Relevant Authorization law/bill/status *(e.g.,*

Title 42--The Public Health and Welfare Chapter 69--Community Development

**Transportation and Housing Urban Development Appropriations Bills, Title II,
Community Development: Economic Development Initiative**

Local Contact *(Please provide full contact information, including any relevant phone extensions, and indicate if there is a separate D.C. contact. Please provide local address, state, zip code and email address):*

Christopher Mohr, Executive Director
Housing Endowment And Regional Trust of San Mateo County
139 Mitchell Avenue, Ste 108
South San Francisco, CA 94080
650-872-4444 ext. 1
website: www.heartofsmc.org
email: cmohr@heartofsmc.org

Organization's Main Activities. *(Please limit your response to 250 words and indicate whether it is a public, non-profit or private for-profit entity.)*

The mission of the Housing Endowment and Regional Trust (HEART) of San Mateo County is to raise funds from public and private sources to meet critical housing needs in San Mateo County. As a housing trust fund, HEART finances the construction, rehabilitation, and purchase of homes affordable to middle- and low-income workforce,

as well as seniors and other fixed-income residents. HEART's programs include (1) the QuickStart Revolving Loan Fund, which provides short-term loans to bridge financing for construction of affordable rental and ownership homes; (2) permanent financing of affordable rental apartments for families and seniors; and (3) Opening Doors in Our Community, a homebuyer assistance loan program for residents and employees who want to buy a home in the county.

HEART was created by San Mateo County and local jurisdictions as a joint powers authority, and so is a public agency. HEART also has received 501(c)(3) exempt status from the IRS. HEART is governed by a public/private board of directors that includes two County Supervisors, nine city council members from member cities, and ten members of the private sector, representing financial institutions, Realtors, human service providers, labor unions, and the faith community, among others.

Please show main items in the project and total cost in a simplified chart form.
(Please include the amount of any Federal/State/Local/Private funds, including any in-kind resources.)

HEART requests \$1,000,000 in federal funds to further capitalize the QuickStart Revolving Loan Fund that is used to finance development of homes affordable to middle- and low-income residents and employees in San Mateo County. HEART makes loans to housing developments in which at least 49% of the units will be rented to households earning no more than the HOME Income Limit. Preference is given to developments that offer greater number of affordable units or deeper affordability targeting.

The following charts of Sources and Uses of Funds illustrate what the QuickStart Revolving Loan Fund has accomplished to date. An appropriation of federal funds would be used to increase the number of affordable-home developments built, thanks to financing from HEART. At this time, there are a handful of such developments in the pipeline which are projected to be "shovel-ready" by the time any appropriation to HEART, if approved, would come through. Any loans must be approved by the HEART Board of Directors.

Sources: Funding secured to date

Wells Fargo – EQ2 investment	\$1 million
CalHFA – HOPE loan	\$1.5 million
Silicon Valley Community Foundation – grant	\$150,000

Uses: QuickStart Loans Made

Development & Location	Units	Invested	Other Funds	Leverage Ratio
Trestle Glen Colma BART	119	\$750,000	\$45 million	\$60:\$1
Peninsula Station San Mateo	68	\$1,000,000	\$33 million	\$33:\$1

Oceanview Senior Apts. <i>Pacifica</i>	100	\$500,000	\$890,000	\$1.78:\$1
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Project Description, including a timeline, goals, expected outcomes and specific uses of Federal Funds. *(Your response must focus on the requested funds rather than the organization's mission and general activities. Please limit your response to 250 – 500 words.)*

Description: HEART is seeking an appropriation of federal funds to capitalize HEART's QuickStart Revolving Loan Fund to provide short-term predevelopment and bridge financing to developers of affordable housing in San Mateo County. QuickStart loans are made for up to three years, currently at 2% interest. This below-market interest rate, made possible by the low cost of our capital, provides developers an affordable source of financing for predevelopment and construction of below-market rate apartments and condos.

Timeline: Within 60 days of HEART receiving any federal funds, HEART will revise and reissue the QuickStart Notice of Fund Availability to announce the availability of additional funds. Loans would be made within six months of receiving the federal funds for housing starts in fiscal years 2011 and 2012.

Goal: Our essential goal is to increase the supply of such units to middle- and low-income residents and employees in San Mateo County.

Expected Outcomes: HEART has made \$7.6 million in loans for the construction, renovation or purchase of 667 affordable homes. Every \$1 of funds loaned to developments from HEART has leveraged \$18.80 in funds from other sources. We expect to be able to replicate these results with additional funding.

This \$1 million in federal funds would be added to \$2.65 million in state, local and private funds already raised to capitalize QuickStart. Based on HEART's average financing of approximately \$11,250 per unit to date, we estimate this additional funding would enable HEART to finance construction of another 89 units initially.

In addition, because QuickStart revolves the funds, we estimate the funds would cycle at least two more times over the next ten years, sustaining the benefits to residents of San Mateo County, for a potential total of approximately 270 units in that time frame.

Finally, HEART will stimulate the local economy through the creation of much-needed jobs and economic activity during the construction projects themselves. According to California Housing Partnership Corporation, "The National Association of Homebuilders estimates that the creation of each new home directly contributes to the creation of 1.16 to 2.83 jobs, depending on the type and location." NAHB further estimates development

of a typical 100-unit multifamily apartment complex generates 116 jobs, \$8.7 million in income from all affected industries and \$3.3 million in tax revenue (including income, sales and property taxes and other assessments) to federal, state and local governments.

How will this project request serve to expand the capacity of your organization and how will your organization sustain this work beyond the federal funding? *(Your response must focus on the impact of the requested funds rather than the organization's long-term goals.)*

HEART was established to provide financing to expand the supply of constructed and rehabilitated rental and ownership units affordable to low- and middle-income residents of San Mateo County. Receipt of these funds will enable us to provide additional financing that should support the development some 89 permanently affordable housing units, over and above the 667 units financed by HEART to date. Experience with loans made to date also indicates that we can expect funds to circulate at least twice every 10 years through financed housing developments, which will sustain the benefit provided by these funds over time.

HEART's public/private board of directors is committed to the effort to assist the organization in securing both public loans and grants from state, local, and federal sources, and to develop funding through grants and donations from the private sector.

HEART has made and will make additional funding requests from many sources. Perhaps most notably, one outstanding application is to the State of California for Prop. 1C housing bond funds. Due to the freeze on the sale of California bonds resulting from the state budget crisis, the state has not been able to appropriate the funds set aside for local housing trust funds such as HEART. When the freeze is lifted, HEART anticipates receiving at least a portion of the \$2 million in matching funds for which it applied.

Can this proposal be funded via fees levied on users of the service or via the ordinary capital budgeting process of the organization?

No. HEART charges borrowers 2% interest for QuickStart development loans, but this alone is insufficient to recapitalize the program. Also, HEART does not have a dedicated source of revenue on which to rely. Hence HEART continues to seek other additional sources of capital in addition to federal funds, as described above.

What is the local significance of this project?

Previous experience with loans made to date is that for every \$1 dollar invested by HEART we are able to leverage approximately another \$20 from other sources of financing. In the period since HEART was established, our loans have supported the creation, rehabilitation, and purchase of 667 units of housing, which is a significant

percentage of housing units approved in the county. HEART loans oftentimes close an important gap in financing for a housing developer and can enable developers to increase the number of units or to increase the affordability levels of the units.

How many residents of the 12th CD will benefit from this project? *(i.e. jobs created, services rendered to, how many people, etc.)*

We anticipate these funds will provide permanently affordable housing to approximately 89 families in San Mateo County, or approximately 150 to 200 people, depending on unit size and demographics. (Senior units have fewer occupants than family units.) When these three-year loans are repaid, the funds would continue to support the expansion of the supply of affordable housing in San Mateo County by revolving back into additional developments at least two more times over the next ten years.

Please explain the federal interest in this proposal (i.e. meets a stated objective of federal policy, supports a federal agency, is the result of a federal law/mandate, etc.)

This request fulfills mandates of the U.S. Housing and Urban Development Department to provide support for community development and affordable housing, and would further the objectives of HUD's Economic Development Initiative.

List any other organizations or state/local elected officials who have expressed support for the project in writing. *(Please submit copies of support letters along with the request form.)*

1. San Mateo County Supervisor Rose Jacobs Gibson, *Chair, HEART Board of Directors*
2. Linda Asbury, CEO, San Mateo Area Chamber of Commerce
3. John Conover, Chairman and CEO, Borel Private Bank & Trust Co.
4. Karyl Eldridge, Realtor, Coldwell Banker Residential Brokerage; Volunteer, Peninsula Interfaith Action
5. California State Senator S. Joseph Simitian

Does the organization have any other funding requests for this project? *(Federal, State, Local or private request pending?)*

- California Housing and Community Development Department, Local Housing Trust Fund Program, \$2 million matching grant request including \$800,000 for QuickStart
- Franklin Templeton Bank, \$500,000 QuickStart capitalization request

- Various corporate foundations, sponsorship support at various levels
- Through HEART's individual giving program, we mail newsletters and fund appeals several times a year

Has the organization previously received Federal funds for this project?

(Please list any funds received [by fiscal year] and briefly describe how those funds were spent.)

No.

Has the individual and/or organization submitted the project request to other Member offices? If so, please identify below the names of the Members of Congress and staff persons.

Yes, we plan to submit the same request to Representative Anna Eshoo's office.

Please attach a list of your organization's staff and board members from 2005 – 2010. (if any).

Denise Aquila, Realtor, Alain Pinel Realty

Linda Asbury, CEO, San Mateo Area Chamber of Commerce

Julia Baigent, Attorney At Law, Private Practice

John Boyle, City Council, City of Menlo Park

John Conover, Chairman and CEO, Borel Private Bank & Trust Co.

Karyl Eldridge, Volunteer, Peninsula Interfaith Action; Assistant Manager and Realtor, Coldwell Banker San Mateo

Larry Franzella, President, Prudential California Realty, San Bruno; former Mayor, City of San Bruno

Pedro Gonzalez, City Council, City of South San Francisco

Richard Gordon, Past HEART Board Chair; President, Board of Supervisors, County of San Mateo

Michele Jackson, Executive Director, Shelter Network

Rose Jacobs Gibson, Board of Supervisors, County of San Mateo; Current HEART Board Chair

Tom Kasten, City Council, Town of Hillsborough

Bill Nack, Executive Officer, San Mateo County Building & Construction Trades Council; Vice Chair, HEART Board

Larry Nibbi, Chairman, Nibbi Brothers Construction

John Seybert, City Council, City of Redwood City

Paul Shepherd, Land Manager, Cargill Salt

Sal Torres, City Council, City of Daly City

Emeritus Board Members, 2005-2010:

Andrew Cohen, City Council, City of Menlo Park

Patrick Gemma, Superintendent, Sequoia Union High School District

Carole Groom, Board of Supervisors, San Mateo County; then City Council, City of San Mateo,

Diane Howard, former Vice Mayor, City of Redwood City

James Janz, Town Council, Town of Atherton

Sylvia Nelson, Chamberlain Group

Gina Papan, City Council, City of Millbrae

Inge Tiegel-Doherty, former City Council, City of San Carlos

David Woods, City Council, City of East Palo Alto

Staff

Christopher Mohr, Executive Director

Sherri Stevenson, Administrative Assistant

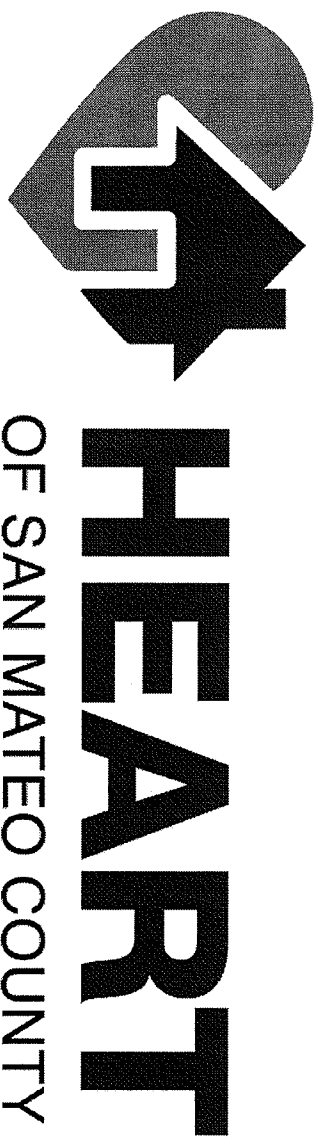
Paula Stinson, Fund Development and Communications Manager

Please attach any additional relevant materials.

2008 Progress Report

2008 Annual Report

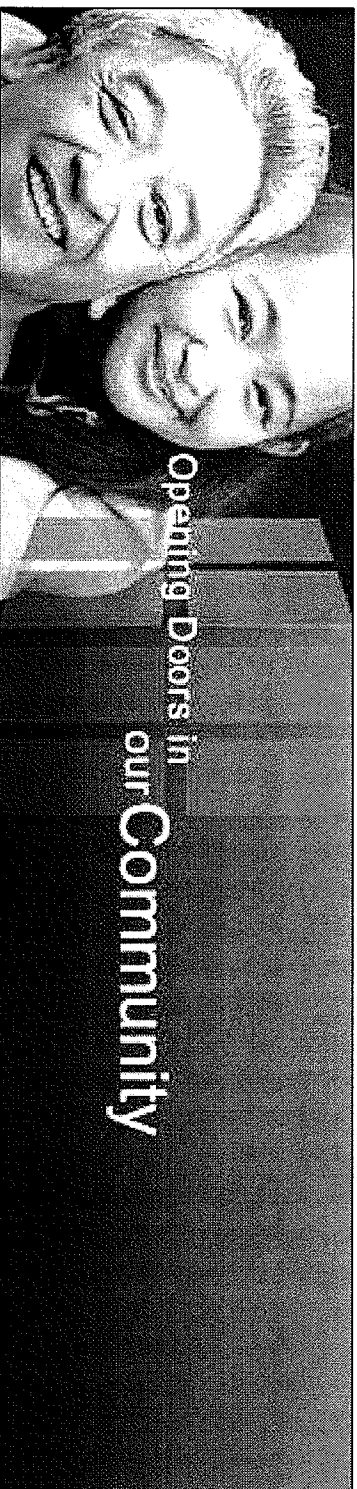
Fall 2009 Newsletter

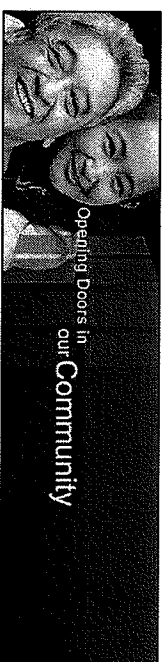


OF SAN MATEO COUNTY

Housing Endowment And Regional Trust

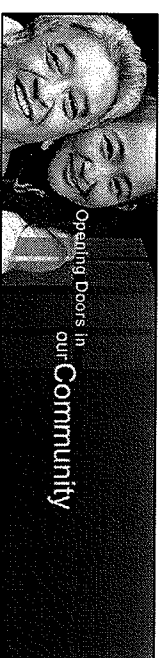
www.heartofsmc.org





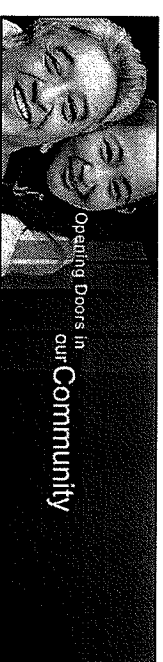
San Mateo County Values

- Vibrant town centers and healthy open spaces
- Prosperity and job growth
- Everyone should have the opportunity to succeed if they are willing to work hard



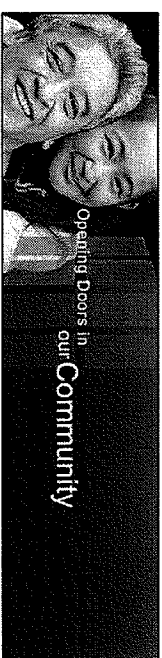
San Mateo County Values

- **Not everyone is able to
succeed, even with hard work**



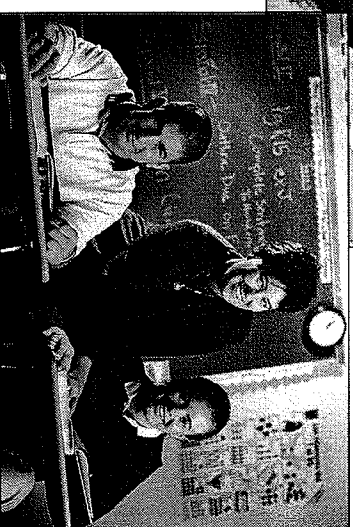
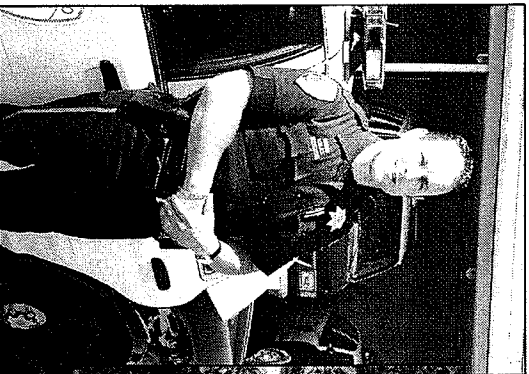
Housing Market Out of Balance

- Housing did not keep up with job growth
- Home prices & rents rose dramatically over last decade
- Problems: families, businesses, schools, & public safety
- Pinch of economic slowdown



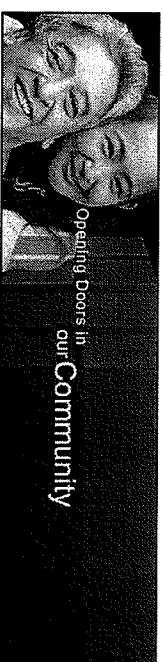
HEART's Vision

➤ A County where housing is attainable.



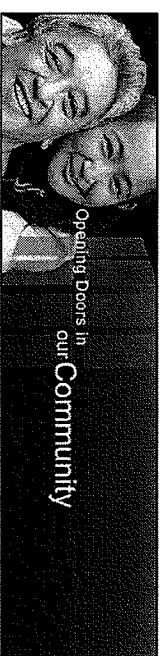


HEART
OF SAN MATEO COUNTY



HEART's Mission

- To raise funds from public and private sources to meet critical housing needs.

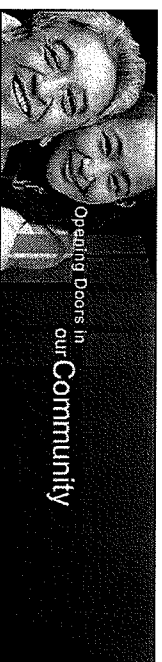


HEART Governance

- Joint powers authority of 20 cities
plus the County
- Public/Private Board:
 - 9 city council members
 - 2 county supervisors
 - up to 10 private-sector reps

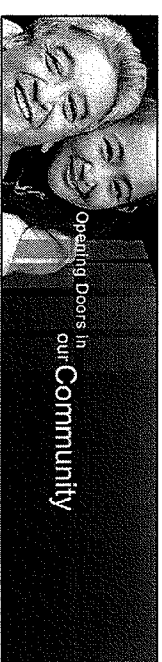


HEART
OF SAN MATEO COUNTY



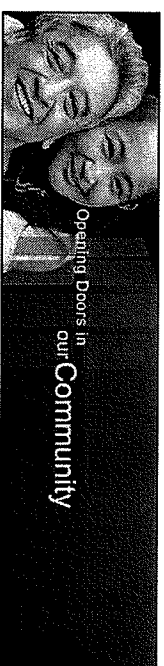
HEART Solutions

- Create opportunity by increasing the housing stock
- Fund construction of homes for working & modest-income families
- Assist with financing home purchases



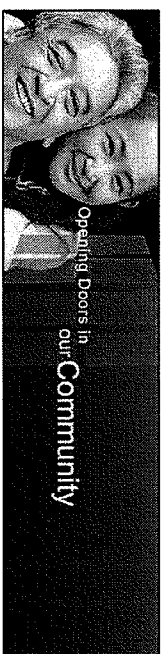
HEART Programs

1. Permanent financing for affordable-home development
2. QuickStart Revolving Loan Fund
3. "Opening Doors in Our Community" Homebuyer Assistance Program

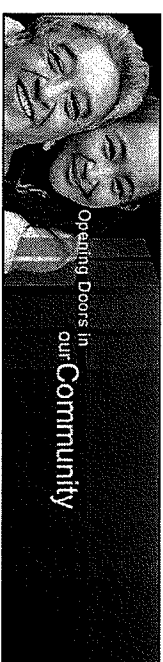


Funding

1. Private sector fundraising
2. Government grants and loans
3. Cities and county pay administrative costs, so donations go to programs (except some grants specified for operations)



Why is HEART still needed?

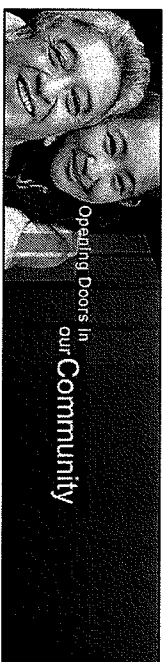


What's going on now?

- Home prices are down from the peak
- 1st-time Buyer Index, S.M. County:
 - 18% could afford in Q3 2007
 - 29% could afford in Q3 2008
- But... big downpayments required
- are still out of reach for many

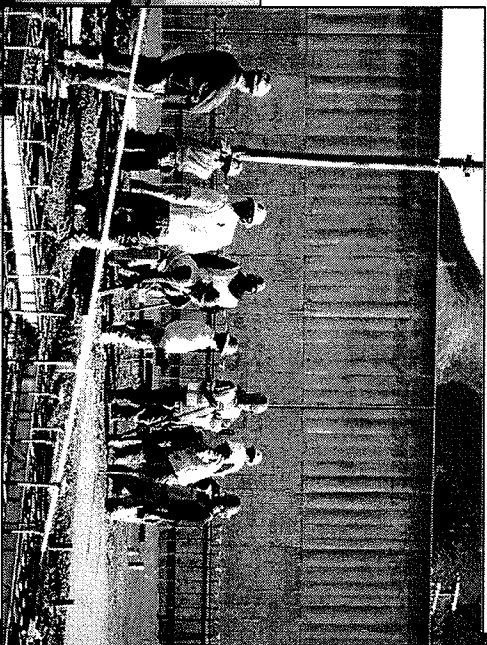
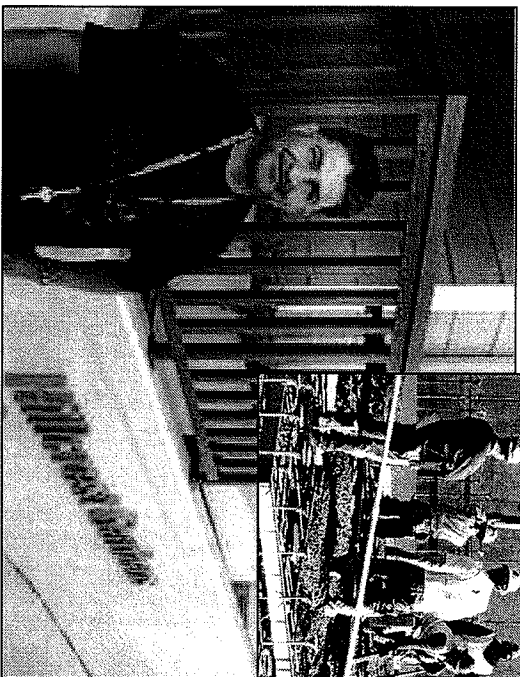
What's going on now?

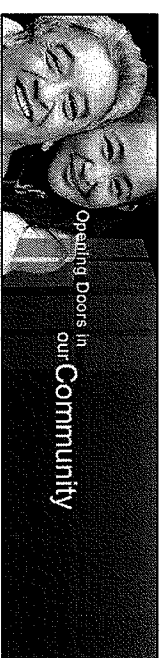
- Rents rose 10% from end of 2006 to end of 2008
- Rents did decline slightly in Q4 2008 – first time in years
- Vacancy rate was 3.8% in Q4 2008
- Construction is also needed to help stimulate the economy



Opening Doors In
our Community

Accomplishments

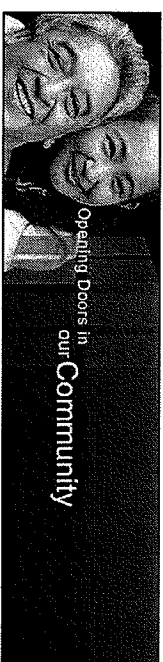




Accomplishments: Programs

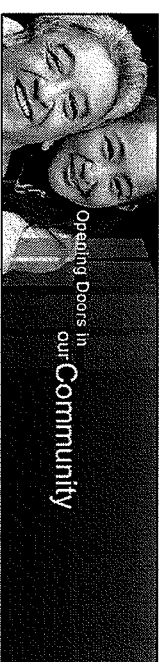
- HEART funded **662** units in five years, 2003-09
- In 2000-05, housing stock in the county grew by **5,966***
- HEART's **662** units is equivalent to **11% of total growth in 2000-05**

*Source: Assoc. of Bay Area Governments



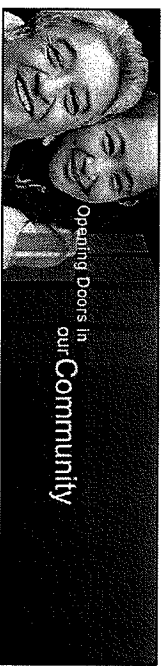
Accomplishments: Programs

- **Loans** = \$7.277 million
- **Projects** = \$172 million
- **Leverage** = \$22.53 from other sources for every \$1 from HEART



Accomplishments: Fundraising

- Private sector: \$2.6 million
- Public sector: \$4.41 million
- Total funds raised: \$10.01 million!



Accomplishments

➤ Private funds raised:

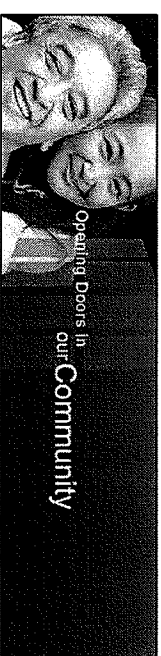
Wells Fargo: \$1,000,000

Genentech: \$1,000,000

Donors: \$523,000

Grants: \$69,500

TOTAL: \$2,592,500



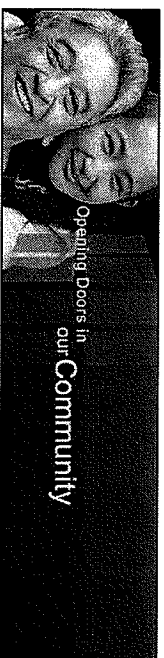
Accomplishments

➤ Public funds raised to date:

County:	\$3,000,000
State HCD:	\$2,000,000
CalHFA:	\$1,500,000
<u>City & Co. Dues:</u>	<u>\$916,000</u>
TOTAL:	\$7,416,000

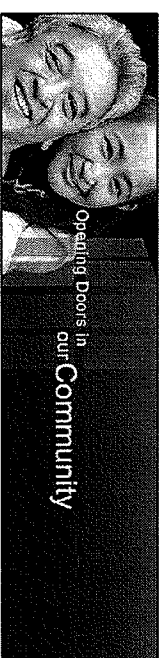


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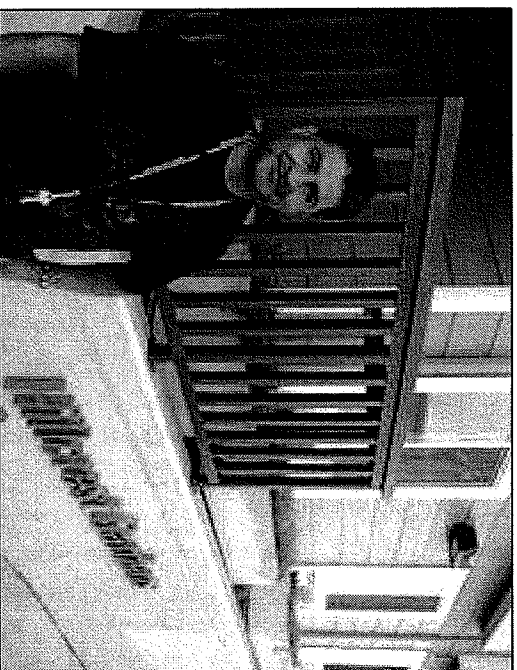
Opening Doors In
our Community

HEART Loans to date

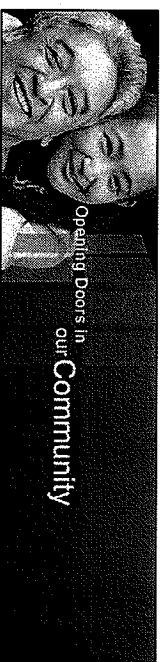


1. Hillcrest Gardens

Daly City

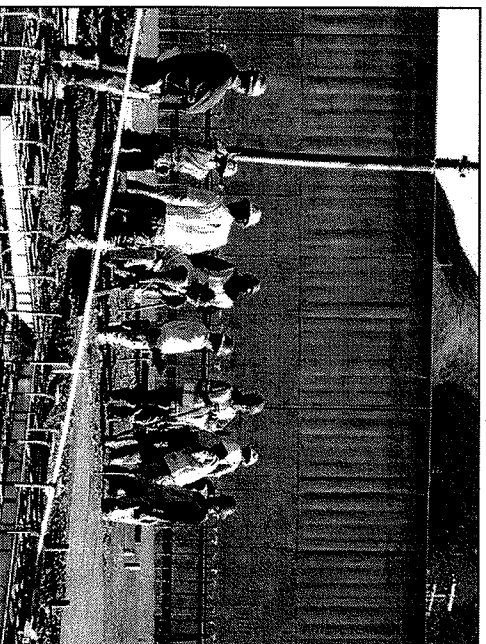


40 affordable rental homes for seniors,
\$550,000

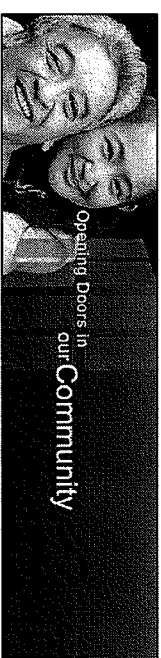


2. Trestle Glen

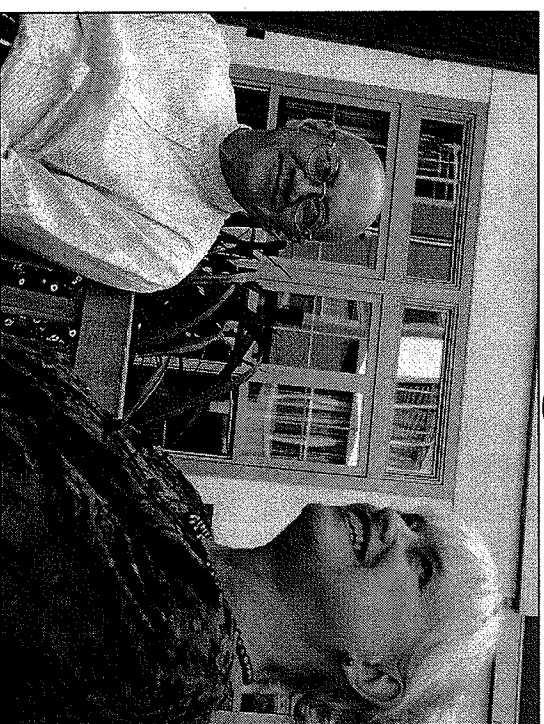
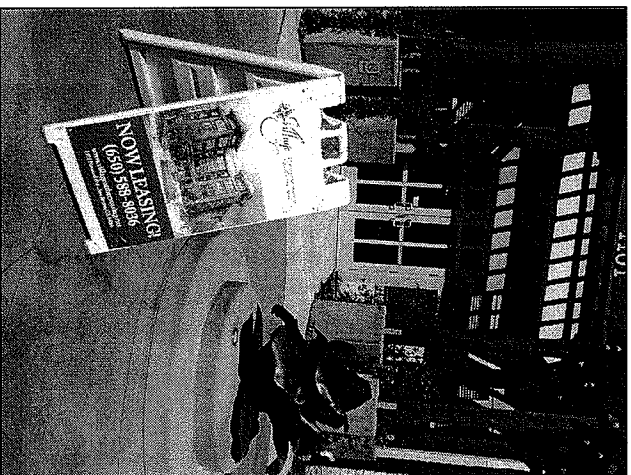
Unincorporated County (near Colma BART)



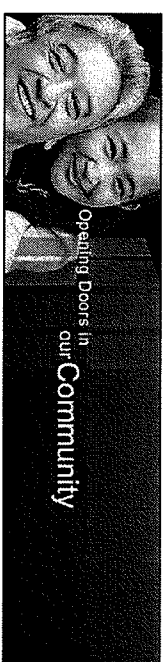
119 affordable rentals for working families
next to BART, \$2.48 million



3. Village at the Crossing San Bruno



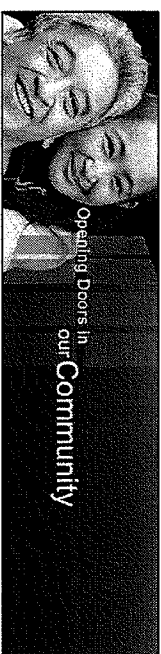
**228 affordable rentals
for seniors, \$1.76 million**



4. Ocean View Apartments Pacifica

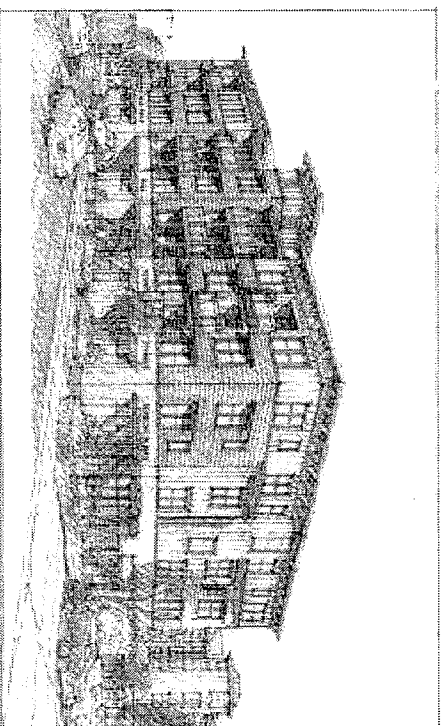
**100 affordable
rentals for
seniors, \$500,000**

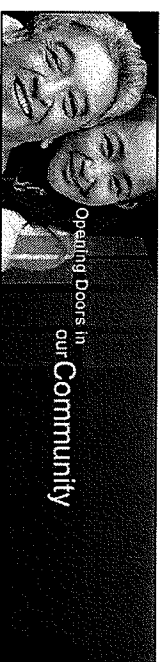




5. Peninsula Station ***San Mateo***

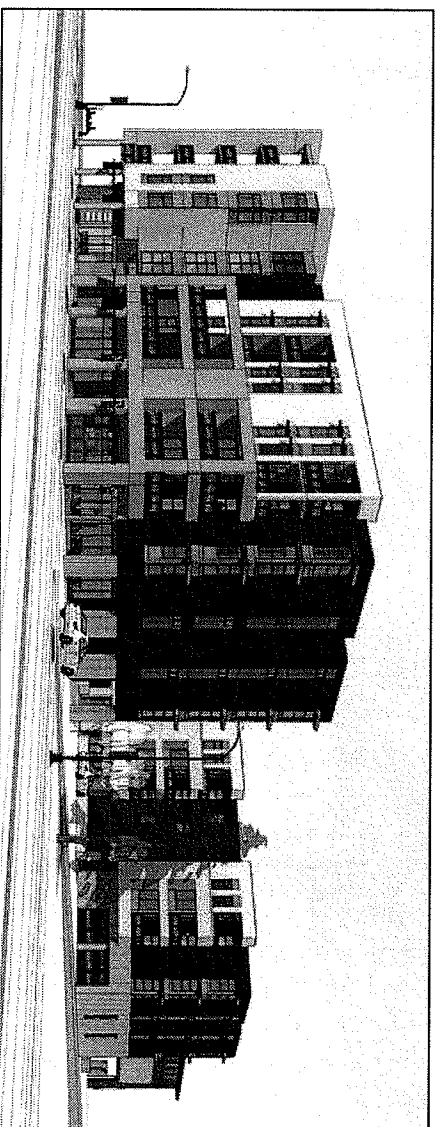
**68 affordable
rentals for
families, \$1,000,000**



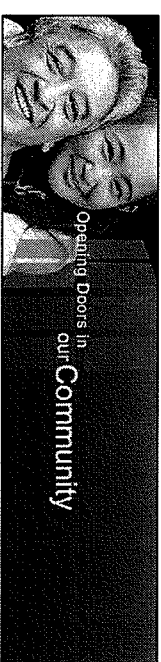


6. El Camino Family Housing

South San Francisco



**106 affordable rentals for families,
\$1,000,000**



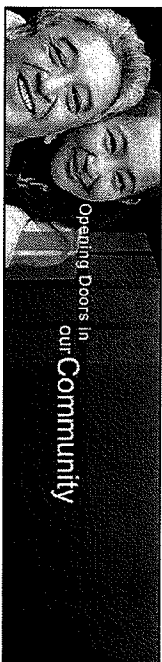
7. Homebuyer assistance

- HEART second loan covers points & closing costs
- First-time or "move-closer" buyers
- Income limit \$150,000





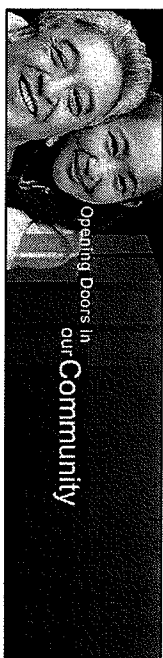
HEART
OF SAN MATEO COUNTY



Where is HEART headed?

Federal Could Be Fun

- Federal funding may help – eventually
- Focus in 2009 will be on stimulus spending for “shovel-ready” construction projects
- Unjam the tax credit market



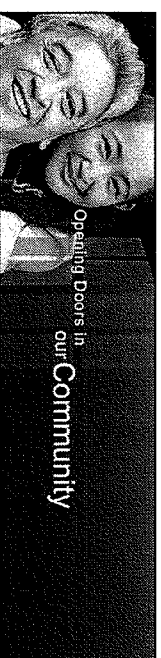
Opening Doors In
our Community

Ben Bernanke Action Figure!!



**Now YOU can drop
money out of a
helicopter!!**

Warning: cannot really prevent a severe recession

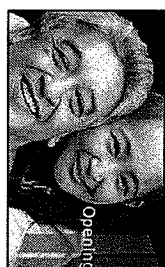


State Could Be Great... Some Day

- State is withholding bond funds
- Prop. 1C is hopeful
- SB 500 (Steinberg) would create a state revenue source for housing

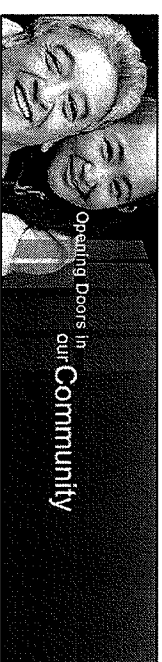


HEART
OF SAN MATEO COUNTY



Opening Doors in
our Community





Local is Likable... Later

- Local public dollars are less restrictive than state/fed, and attract matching funds
- Local government budgets are hurt by economy & state budget
- Investigate **new** local revenue sources, to start when times are improving



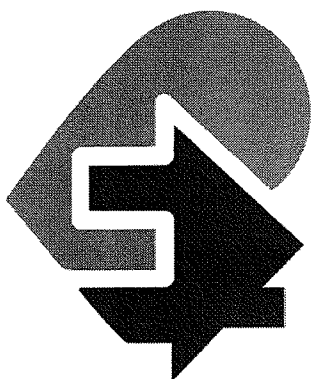
HEART
OF SAN MATEO COUNTY



Opening Doors in
our Community

Private Sector Progress

- Raised to date: \$2.6 million
- Goal: Finish campaign in 2009
- **Coming on May 13:**
3rd annual Executive Briefing &
Luncheon



HEART
OF SAN MATEO COUNTY

Housing Endowment And Regional Trust

www.heartofsmc.org



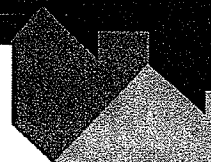
The HEART of San Mateo County

Opening Doors in Our Community

The Housing Endowment and Regional Trust



SUMMER 2009 / VOLUME 3 / ISSUE 1



New Homebuyer Assistance Program for San Mateo County

Now is the time to buy a starter home

if you can get a loan. In July, 2008 HEART introduced "Opening Doors in Our Community," homebuyer loan program for people who live or work in San Mateo County. A lot has happened in the financial and real estate markets in this past year. Average housing prices have dropped, yet access to credit has tightened significantly.

HEART and Meriwest Credit Union are here to help, and have re-designed their secure, reasonable homebuyer assistance program for today's economy, to help qualified, moderate-income families buy a first home or move closer to work in San Mateo County.

Our goal is still simple: To help you buy a home with only 5% downpayment.

How can you qualify?

- Household income up to \$150,000
- Live or work in San Mateo County
- First-time or move-closer buyer
- Maximum purchase price of \$521,250
- Minimum downpayment of 5%, competitive with FHA loans
- FICO score of 680

Apply online at

www.heartofsmc.org/open or call a Meriwest Mortgage loan consultant at 408-363-3451 for more information.

Finally, HEART's goal is to work with other existing city, school and employer programs to provide additional financing. Call us to find out if your organization can qualify as a community partner.

New Homebuyer Loans For San Mateo County

"Opening Doors in Our Community"
helps qualified, moderate-income families buy a home.



For more details: www.heartofsmc.org/open to see if you qualify.
Or call a Meriwest loan consultant at 1-408-363-3451.

New senior homes open in Daly City

"I feel as free and as happy as a bird," says Griselda Muyat as she stops in front of the two-story bird cage that rises up through the atrium of the new Hillcrest Senior Housing complex in Daly City. She is one of the 39 lucky seniors who won a lottery from among 700 applicants for a new apartment at Hillcrest Gardens. "My daughter encouraged me to be independent, because I stayed at home alone with no car and was very lonely. Now I can see people and go anywhere."



Over 700 people applied for 39 new rental homes in Daly City. Griselda Muyat (left) has her own apartment for the first time in her life. Clara Chan (right) has limited mobility but uses BART, SamTrans and the community van for all her needs.

A happy and dignified retirement is everyone's goal for our rapidly growing senior population

households. Rents are based on tenants paying no more than 30% of the household's income, with a rental subsidy through the US Department of Housing and Urban Development Section 202 Program. Griselda, for example, whose only source of income is Social Security, pays \$227 month.

Hillcrest is a prime example of the type of development needed in San Mateo County. Built on a small plot of unused land in the middle of the city, one block away from the Daly City BART station, near bus lines and walking distance to stores, pharmacies and restaurants, it serves the needs of low-income seniors. The property boasts a library

CONTINUED ON PAGE 3

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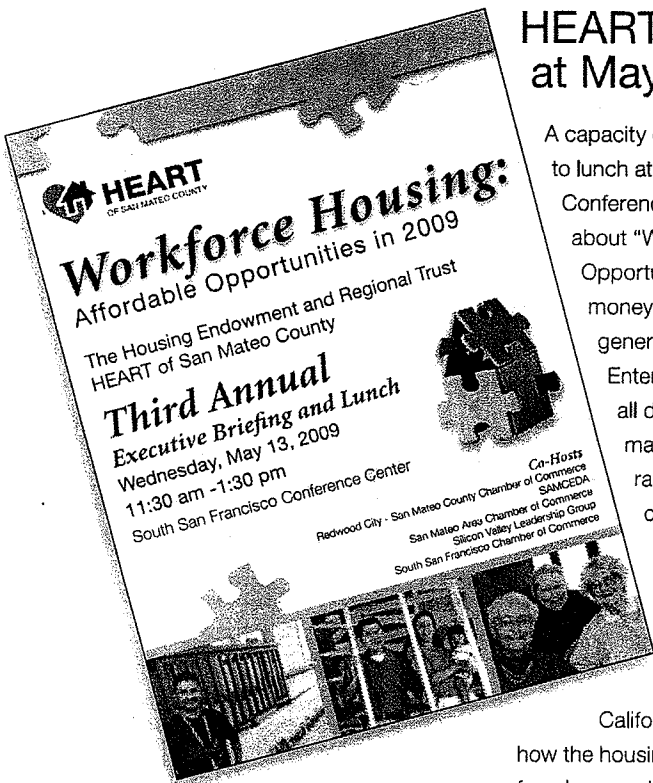


• HEART invests \$2 million in two workforce housing projects

• Supervisor Rose Jacobs Gibson new Board Chair

• Trestle Glen in Colma accepting applications in Fall 2009

• HEART raises \$22,000 at May lunch



HEART raises \$22,000 at May lunch

A capacity crowd of 170 people came to lunch at the South San Francisco Conference Center on May 13 to learn about "Workforce Housing: Affordable Opportunities in 2009," and to raise money for HEART. Thanks to a generous challenge grant by Concar Enterprises, Inc. of San Mateo, all donations received were matched up to \$10,000. HEART raised \$12,000 in pledges and contributions to meet the challenge.

Keynote speaker Stephen Levy, Director of the Center for Continuing Study of

California's Economy spoke about how the housing market collapse and foreclosure crisis has not solved the lack of affordable housing in San Mateo County.

Thank you

Thank you to our sponsors:

The San Mateo County Association of Realtors

Foundation (SAMCAR)

PG&E

Invaluable media support:

The San Francisco Business Times

Comcast

\$10,000 matching gift donor:

Concar Enterprises, Inc.



SAN MATEO COUNTY
ASSOCIATION OF REALTORS
FOUNDATION



Concar Enterprises, Inc.



Pacific Gas and
Electric Company

Thank you to our co-hosts:

The San Mateo Area
Chamber of Commerce

SAMCEDA

The Redwood City-San Mateo County
Chamber of Commerce

The Silicon Valley Leadership Group

The South San Francisco
Chamber of Commerce



**The Housing Endowment and
Regional Trust of San Mateo County**

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Opening Doors in Our Community

www.heartofsmc.org

In this issue



**New Homebuyer
Assistance Program for
San Mateo County**

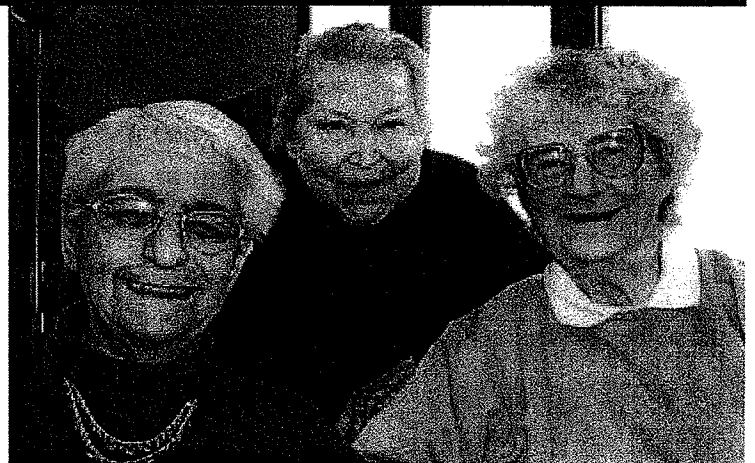
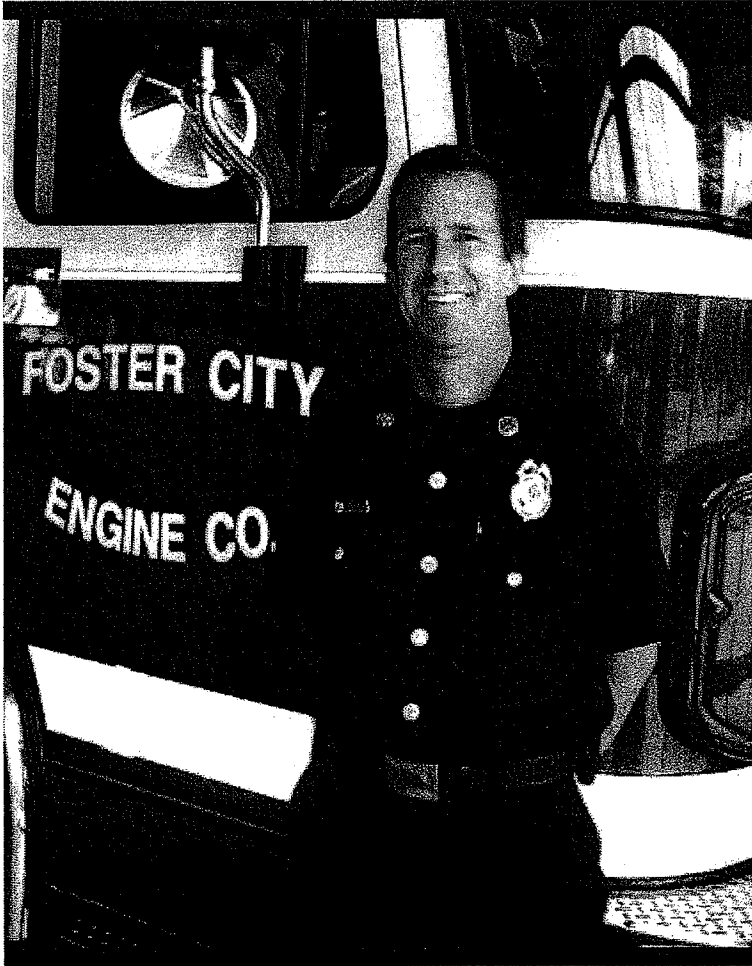


**Hillcrest Gardens
senior housing opens in
Daly City**



HEART of San Mateo County

2008 ANNUAL REPORT



Opening Doors in Our Community

The Housing Endowment and Regional Trust of San Mateo County

Letter from the Board Chair and Executive Director



**SUPERVISOR
ROSE JACOBS GIBSON**



CHRISTOPHER MOHR

**“Through its public/
private approach, the
HEART of San Mateo
County is in the forefront
of affordable housing,
and our community is
the beneficiary of its
leadership.”**

—HONORABLE ANNA ESHOO
Congresswoman,
14th Congressional
District of California

HEART continued its growth and development in 2008, receiving a \$1 million donation for workforce housing from Genentech, Inc. and launching a homebuyer assistance program.

HEART programs

In the past five years of operations, through April 2009, HEART has raised over \$10 million dollars and invested \$7.25 million to build, renovate or purchase 662 new homes for working families and seniors. This represents 11% of all new homes created in the County during this time. We consider this a great achievement as all of these homes will be affordable to low and moderate-income families, housing that is not created by the private sector alone.

In May 2008, HEART launched the “Opening Doors in Our Community” homebuyer program in partnership with Meriwest Credit Union at our annual luncheon. We raised over \$60K to match a generous \$50K challenge grant by Cargill Salt and DMB Associates, Inc. for this program. We were able to work with one couple to help them move closer to work in San Mateo before the financial markets collapsed in fall 2008. Changes in the mortgage insurance market required us to revise our original terms, and we plan to re-introduce this program in mid-2009 to better help families take advantage of lower average home costs.

What next?

Affordable homes are still out of reach for too many local residents and employees. When Hillcrest Senior Housing advertised a lottery for 40 new senior rental homes, they received over 700 applications, and 23,000 people signed up for the new San Mateo County Department of Housing Section 8 housing list. Even a family earning a median income of \$95,000, with impeccable credit, cannot afford the average starter home here.

In 2008, HEART welcomed the City of South San Francisco and the City of Belmont as new members, and is proud to report that all cities in the County, as well as the County, now belong to HEART. Thanks to their dues, which pay for the bulk of HEART’s administration, HEART is currently able to dedicate donations from the private sector to much-needed programs to create affordable homes for the employees and residents of San Mateo County.

HEART has grown up in the last year, and we are grateful to the many community members, partners, and donors who have made that possible.

Sincerely,

Supervisor Rose Jacobs Gibson
Chair, Board of Directors

Christopher Mohr
Executive Director

HEART Board of Directors

Community Leaders			
Denise Aquila Re/Max Realty	Bill Nack, Vice Chair Executive Officer, San Mateo County Building & Construction Trades Council	Richard Gordon Board of Supervisors County of San Mateo	Jack Matthews City Council City of San Mateo
Linda Asbury President/CEO, San Mateo Area Chamber of Commerce	Larry Nibbi CEO, Nibbi Brothers Construction	Carole Groom Supervisor County of San Mateo *	Gina Papan City Council City of Millbrae**
Julie Baigent Attorney at Law	Paul Shepherd Land Manager, Cargill Salt	Diane Howard Vice Mayor City of Redwood City	Daniel Quigg City Council City of Millbrae
John Conover President, Borel Private Bank & Trust Company	Public Officials	Rose Jacobs Gibson, Chair Board of Supervisors County of San Mateo	Randy Royce City Council City of San Carlos
Karyl Eldridge Peninsula Interfaith Action	John Boyle City Council, City of Menlo Park	James Janz Town Council Town of Atherton *	Sal Torres City Council City of Daly City
Michele Jackson Executive Director, Shelter Network	Larry Franzella Mayor, City of San Bruno	Tom Kasten City Council Town of Hillsborough	
	Pedro Gonzalez City Council City of South San Francisco		

* Term ended 12/08

** Term ended 02/09

Statements of Activities
For the Years Ended June 30, 2008 and 2007

	2008	2007
Expenses		
General management and administrative support	\$251,367	\$258,780
Legal services	10,000	10,000
Branding and communications	—	2,587
Interest on long-term debt	32,514	4,444
Miscellaneous	125	64
Total Expenses	294,006	275,875
Program Revenues		
Operating grants and contributions		
Member agencies	269,754	222,097
County of San Mateo	200,000	200,000
State of California	255,000	1,745,000
Other	492,197	91,720
Total Program Revenues	1,216,951	2,258,817
Net Program Revenue	922,945	1,982,942
General Revenues (Expenses)		
Investment earnings	96,207	119,173
Securities lending income	18,642	9,385
Securities lending expenses	(16,005)	(9,157)
Total General Revenues (Expenses)	98,844	119,401
Change in Net Assets	1,021,789	2,102,343
Net Assets-beginning	4,715,187	2,612,844
Net Assets-ending	\$5,736,976	\$4,715,187

The Housing Endowment and Regional Trust's financial statements for the fiscal year ended June 30, 2008 have been audited by the Controller's Office of the County of San Mateo, who issued an unqualified opinion on the statements.
To obtain a copy of HEART's complete audited financial statements, please contact our office at 650-872-4444, ext. 4.

Statements of Net Assets
For the Years Ended June 30, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	\$3,206,852	\$1,170,265
Securities lending collateral	320,964	216,811
Receivables, net:		
Interest	62,331	14,096
Loans	3,044,699	3,490,000
Prepaid expense	23,475	15,000
Restricted assets:		
Temporarily restricted		
Cash and cash equivalents	1,204,699	1,030,270
Total Assets	7,863,020	5,936,442
Liabilities		
Accounts payable	42,566	4,444
Securities lending collateral due	320,964	216,811
Noncurrent liabilities:		
Due in more than one year	1,762,514	1,000,000
Total Liabilities	2,126,044	1,221,255
Net Assets		
Restricted for:		
QuickStart Revolving Loan housing developers	963,707	1,000,192
Debt service - Loan Loss Reserve Account	30,292	30,078
Home Buyer Assistance Loan Program	210,700	—
Unrestricted	4,532,277	3,684,917
Total Net Assets	\$5,736,976	\$4,715,187

TOTAL PROGRAM AND ADMINISTRATION: \$10,265,877
SPRING 2003-SPRING 2009

ADMINISTRATION 11% 89% PROGRAM

CUMULATIVE FUNDS GIVEN OR PLEDGED BY SOURCE
SPRING 2003-SPRING 2009

Source of Funds	Housing Programs	Administration
County of San Mateo: Gift	\$3,000,000	\$ 75,000
CA Dept. of Housing (Prop. 46)	2,000,000	—
CA Housing Finance Agency (CalHFA)	1,500,000	—
Wells Fargo	1,000,000	—
Other gifts and private donations	1,373,933	5,000
Foundation Grants	150,000	66,974
Public agency dues	—	989,522
Interest income	105,448	—
TOTAL COMMITMENTS	\$9,129,381	\$1,136,496

Meet the residents of Hillcrest Senior Housing in Daly City

The new, spacious apartments and access to BART and major bus lines give local seniors a chance to enjoy their retirement and remain active in the community. Retired nurse Maxine Eastman's (left) schedule includes exercise classes at the senior center and volunteering with

the physically challenged and a local food bank. Griselda Muyat (center) lived with her daughter's family for years in the suburbs. This is the first time in her life she has had her own apartment, her own friends and the ability to travel.

Clara Chan (right), 85, also treasures her independence, after a lifetime of caring for children and grandchildren. She appreciates the little "extras" that the building includes for seniors, like a van, organized trips and activities and the special timer for her kitchen.



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Fax (916) 323-4529

E-MAIL
Senator.Simitian@sen.ca.gov

WEBSITE
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California State Senate



SENATOR S. JOSEPH SIMITIAN

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SATELLITE OFFICE
701 Ocean Street, Room 318A
Santa Cruz, CA 95060
(831) 425-0401
Fax (831) 425-5124

February 12, 2010

Congresswoman Jackie Speier
Congresswoman Anna Eshoo
U.S. House of Representatives
Washington, D.C. 20515

Dear Congresswomen:

I am writing this letter in support of an FY 2011 appropriations request for the Housing Endowment and Regional Trust, the HEART of San Mateo County. This FY 2011 request would allow HEART to capitalize its QuickStart Revolving Loan Fund.

As a housing trust established to work on behalf of San Mateo County, its local communities, and many private and nonprofit housing developers, HEART plays an important role in the creation of affordable housing that meets the needs of our middle and low-income workers as well as our seniors and other special populations living on fixed incomes. As you know, San Mateo County has long been one of the most expensive places to live in the nation, even in the current economic climate.

Providing federal appropriations to capitalize the revolving loan fund managed by HEART will help to accelerate construction and rehabilitation of homes and provide a much-needed economic stimulus to our county. These funds would help create new homes, put people back to work, and provide a lower cost of living for lower-income residents, many of whom are hurting from the economic downturn.

HEART is a joint powers authority of the County plus all 20 cities in the county and is recognized as a 501c3 tax-exempt organization by IRS. It is governed by a public/private board of directors. To date, HEART has raised over \$10 million in state, local, and private funds. The program has invested \$7.49 million in the construction, renovation, or purchase of 666 affordable homes, and has leveraged every \$1 of its funds with \$18.80 in funds from other sources.

The \$1 million in federal appropriations requested would be expected to initially serve 89 families to find permanently affordable housing. As a revolving loan fund, HEART's

investment would be sustained. Our experience has shown that loan funds can be anticipated to cycle through finance projects at least twice over a 10 year period.

Loans are available to developers throughout San Mateo County. To date, HEART has invested in several new housing developments in San Mateo County, including:

- Hillcrest Senior Housing in Daly City;
- Trestle Glen at Colma BART;
- The Village at the Crossing in San Bruno;
- Oceanview Senior Apartments in Pacifica;
- Peninsula Station in San Mateo; and
- El Camino Family Housing in South San Francisco.

Please join me and many others in supporting the work of HEART of San Mateo. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Joseph Simitian", with a long horizontal flourish extending to the right.

S. Joseph Simitian
State Senator, Eleventh District